



STATE OF WISCONSIN
Department of Employee Trust Funds
Eric O. Stanchfield
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
TTY (608) 267-0676
<http://etf.wi.gov>

CORRESPONDENCE MEMORANDUM

DATE: May 28, 2004
TO: Employee Trust Funds Board
FROM: Robert C. Willett, Director
Office of Trust Finance & Data Analysis
SUBJECT: Scope Statement – Valuation of Separate Retirement System Investments

Wis. Admin. Code §§ ETF 10.12 Separate Retirement System Participation in the Retirement Trust Fund establishes the rules under which other retirement systems can elect to have their funds invested in the fixed and variable retirement trust funds. Currently Milwaukee Public Schools is the only system electing to use this investment option, although the City of Milwaukee has also participated in the past.

The rule provides detailed guidance on how separate retirement systems' investment in the trust funds are to be valued. The intent is to assure that the commingling of outside funds is transparent to the Wisconsin Retirement System and other benefit plans invested in these trust funds.

In recent months we have been working with staff from the State of Wisconsin Investment Board, and in consultation with the Legislative Audit Bureau and Milwaukee Public Schools, to refine the investment valuation procedure to provide better internal controls, simplified administration and greater transparency.

With your approval, we will update ETF 10.12 to reflect the new procedure. The modified rule will be presented to the Board at a future meeting for approval.

I will be available at your June 18, 2004, meeting to answer any questions you have regarding this Scope Statement.